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**DRAFT DECISION NOTICE AND FINDING OF NO SIGNIFICANT IMPACT  
2014 KENSINGTON FUEL DEPOT**

**U.S. FOREST SERVICE  
TONGASS NATIONAL FOREST  
JUNEAU RANGER DISTRICT  
JUNEAU, ALASKA**



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## INTRODUCTION

The Forest Service has considered modifications to the approved Plan of Operations for the Kensington Gold Project. The modifications to the approved Plan of Operations involve delivery, storage, and transportation of fuel at the Kensington Gold Project.

The purpose of this initiative was to consider the construction of approximately five hundred feet of pipeline and the installation of a bulk fuel depot in the upper laydown yard of the Slate Creek Cove Marine Terminal. All construction activities are to occur within the boundaries of the Kensington Mine operation (see Figure 1). The action is needed because underground mineral exploration combined with scheduled construction activities have created the need for a reliable fuel supply that will allow for continuous operation in an economically viable manner.

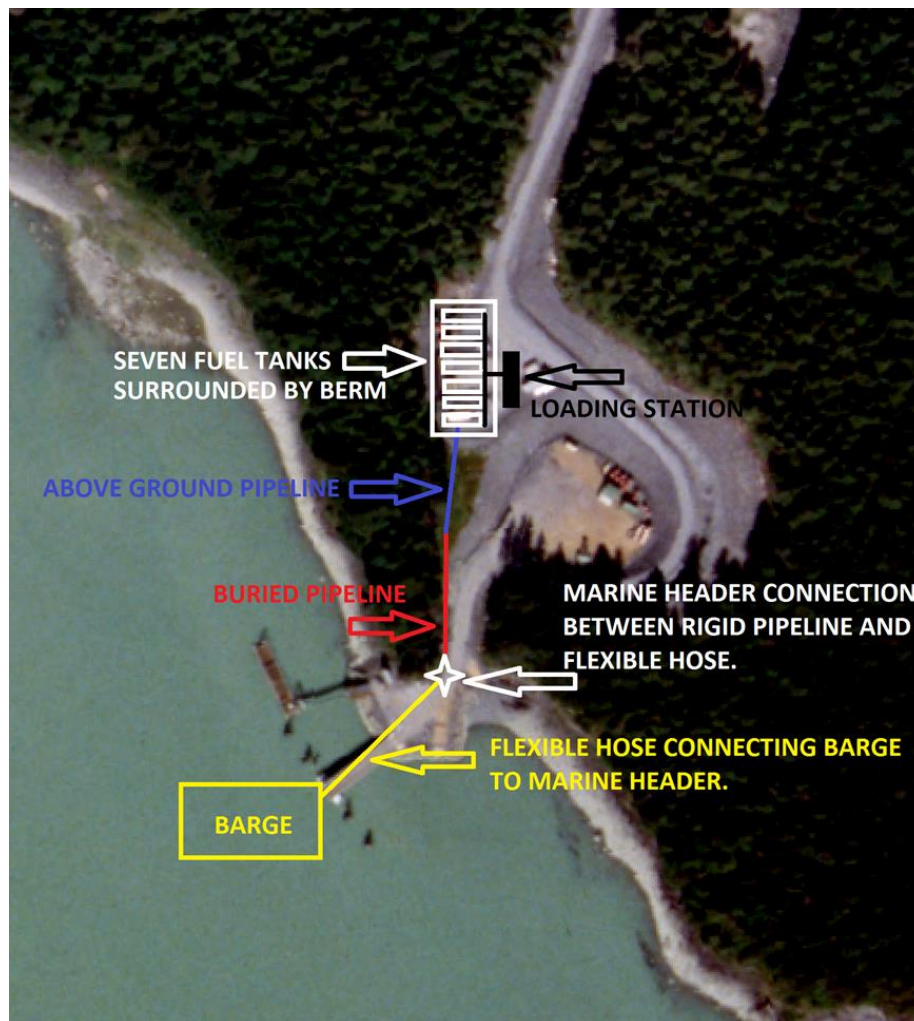


Figure 1.

## DECISION

Based upon my review of the 2014 Kensington Fuel Depot Environmental Assessment (EA), I have decided to implement Alternative 2, slightly modified. This decision will modify the approved Plan of Operations and allow seven fuel tanks with a total capacity of three hundred and fifty thousand gallons to be installed above ground, at the upper laydown yard of the Kensington Mine Marine Terminal. A buried header pipe will be located along the northwest side of the Kensington Marine Terminal access road and will connect via an approximately 500 feet seamless pipeline to the tanks. Fuel delivery will be by barge that will dock at the Kensington Marine Terminal and connect to the fuel header via an approximately 100-150 feet flexible hose. The fuel tank truck loading station will be a 20-foot shipping container connected to the supply piping. The fuel tank truck will then deliver fuel to the Mill bench.

## DECISION RATIONALE

I selected the proposed action alternative because construction of the fuel depot will allow the Kensington Gold Project to continue mining operations in an economically viable manner while remaining in compliance with regulatory requirements. The fuel depot will operate without significant effects that were not previously analyzed in the 2004 FSEIS. However, the approved Plan of Operations will be updated as required in the EA, and as required by 36 CFR 228.4 (e) for a modification to the approved Plan of Operations which is subject to approval under 36 CFR 228.5 (c). No significant issues were identified so no additional alternatives were developed (see Table 1.) The 2014 Kensington Fuel Depot EA documents the environmental analysis and conclusions upon which this decision is based.

## PUBLIC INVOLVEMENT

This action was originally listed as a proposal on the October 1, 2014 Tongass National Forest Schedule of Proposed Actions and updated periodically during the analysis. The public was invited to review and comment on the proposal; 27 scoping letters were mailed on October 29, 2014 and 28 notice to comment letters were mailed on June 19, 2015; a mailing list is available in the project record. The Legal Notice for the formal 30-day comment period was published in the *Juneau Empire* on June 26, 2015 and the EA was published on the Tongass National Forest projects webpage (<http://www.fs.usda.gov/projects/tongass/landmanagement/projects>) for distribution.

Public comments received on the EA were generally related to the issues below:

Concerns that an environmental impact statement (EIS) level analysis should be used for the Kensington Fuel Depot proposal instead of an EA level analysis.

No significant issues were recognized through the public scoping process, and no significant effects were identified in resource specialist reports; therefore, an EIS level analysis of the proposed action is unwarranted.

Concerns of cumulative impacts related to the Juneau Access Road.

There already exists a fueling system at the Kensington Marine Terminal facility. It is composed of an upper and a lower lay down area; the isotainers are currently stored in the lower lay down area. Both of these areas have already been developed for use under previously completed NEPA for the Kensington project. If the Juneau Access Road is to be constructed, the NEPA analysis for that project will have to consider the existing development in the Kensington Mine Marine facility under cumulative effects for that analysis. The footprint for the updated Kensington Fuel Development project has limited trenching on previously disturbed ground, which was analyzed for effects on resources in the EA for the fuel depot.

#### Concerns related to ongoing operations at the Kensington Gold Project.

The Kensington Gold Project was analyzed in the 2004 Final Supplemental Impact Statement; issues related to the Tailings Treatment Facility, mining plan, and underground exploration are outside the scope of the Kensington Fuel Depot EA and were not considered in this analysis.

#### Concerns related to operational or design features of the proposed action.

Comments about design and operational features of the proposal were received. Best management practices, construction, design, and operational features all have been included in the EA as preventative measures to reduce the potential risk of degradation of fisheries habitat, sedimentation, and fuel contamination into Berners Bay. All have been addressed in the responses to comments and any modifications have been included in the Clarification to the EA section in this document.

Responses to comments can be found at <http://www.fs.usda.gov/project/?project=45154>

## **CHANGES AND CLARIFICATIONS TO THE EA**

After public and agency review of the EA, the following changes and clarifications have been made.

Pg. 4. Existing Condition. Biweekly was intended to mean twice per week, not every two weeks. Full isotainers are delivered once per week and empty isotainers are off loaded once per week. Biweekly was used to indicate the number of barge dockings related to shipping and receiving isotainers to and from site. It is understood that 12-15 full isotainers arrive on a weekly basis and that 12-15 empty isotainers depart site weekly.

Pg. 4. Existing Condition. The fourth sentence should read, “Isotainers are transported by flat-bed trailer that is pulled by a semi-truck from the lower laydown yard to the Mill bench for refilling of the day use tank.”

Pg. 4. Existing Condition. The second sentence should read, “Approximately 12-15 isotainers of fuel are stored at the lower laydown yard (Figure 3 and 4) of the Kensington Marine Terminal for a total approximate capacity of 130,000 gallons.”

Pg. 7. State of Alaska, Department of Natural Resources. The first sentence should read, “ANDR requires authorization for use of tidelands and submerged lands at the marine facility and will review any updates to the approved Plan of Operations for compliance with State Permits, Licenses, and Certifications.”

Pg. 9. Fuel Depot Operation. Omit the requirement #3, which states “Deploy containment booms each time refueling of the depot from a barge occurs at the Kensington Marine Terminal.”

Requirement 3 is being omitted in response to comments received and because of a lack of federal or state regulation that mandate deployment of a containment boom during refueling activities.

Pg. 9. Fuel Depot Operation. # 6 should read, “Provide training for personnel working at the Kensington Fuel Depot in fuel handling fuel storage, fuel spill cleanup, and proper disposal of contaminated material at the Kensington Gold Project.”

Table 1. Comparison of Alternatives by resource in EA.

Comparison of Alternatives		
Resource	Alternate 1	Alternate 2
<b>Botany</b>	No change to existing condition. Current inventory of invasive plants indicate no infestations of high-priority invasive plants in or near the project area. No endangered, threatened, sensitive, or rare plants have been documented in or near the project area.	Alternate 2 has a moderate risk of invasive plant infestation from habitat alteration, re-exposure of mineral soil, and the importation of construction equipment or construction materials.
<b>Fisheries</b>	The No Action alternative would not result in a change to the effects of fisheries resources. Existing conditions would remain.	No direct effect to fisheries habitat from Alternate 2. However, the potential does exist for degradation of fisheries habitat by sedimentation, and fuel contamination from the Proposed Action.
<b>Hydrology</b>	No change to existing condition. The existing risk to water quality from fuel transfer at Slate Cove would be fuel contamination resulting from isocontainer puncture and sedimentation from transfer of isocontainers.	Alternate 2 will result in a higher risk of fuel contamination near surface waters, a reduction in sedimentation near surface waters, and a higher degree of regulatory oversight.
<b>Scenery</b>	No change to existing condition. The No Action alternative would continue to meet the Scenic Integrity Objective (SIO) of Low to Very Low, and complies with the Forest Plan.	Under Alternative 2 the scenic integrity would change with implementation of recommended mitigation measures, and achieve a level of scenic integrity more consistent with the Old Growth Habitat LUD designation.
<b>Wildlife</b>	The No Action alternative would not result in a change to the effects on wildlife resources as described in the 2004 Environmental Impact Statement. The No Action alternative is not likely to adversely affect the humpback whale and the Steller sea lion. No additional threatened, endangered, or proposed species will be affected by the No Action alternative.	Alternate 2 is not likely to adversely affect the humpback whale and the western Distinct Population Segment (DPS) of the Steller sea lion. Boat traffic, construction disturbances, and petroleum spills could result in discountable or insignificant effects to a small number of individuals.

## FINDINGS REQUIRED BY OTHER LAWS AND REGULATIONS

The project was designed in conformance with Forest Service Mineral Regulations, Forest Service Manual, and complies with the Tongass National Forest Land and Resource Management Plan. A full description of laws are available in the the EA. A Finding of No Significant Impact (FONSI) was considered for this EA. I determined the proposed action will not have a significant effect on the quality of the human environment, and an Environmental Impact Statement (EIS) will not be prepared.

## OBJECTION OPPORTUNITIES

This decision is subject to objection pursuant to 36 CFR 218 and must meet all of the requirements of 36 CFR 218.8. A written objection, including attachments, must be postmarked or received within 45 days after the date that notice of this draft decision is published in the

*Juneau Empire*. Electronic objections in common formats (.doc, .rtf, .pdf, or .txt) may be submitted to: [Objections-Alaska-Tongass@fs.fed.us](mailto:Objections-Alaska-Tongass@fs.fed.us) with “2014 Kensington Fuel Depot” on the subject line. Objections may also be faxed to (907) 228-6281 to the attention of “OBJECTION: 2014 Kensington Fuel Depot,” sent by mail to the following address, or hand-delivered during normal business hours of 8 a.m. to 4:30 p.m., Monday through Friday, excluding holidays:

Forest Supervisor  
ATTN: Objection for 2014 Kensington Fuel Depot  
648 Mission St.  
Federal Building  
Ketchikan, AK 99901-6591

## IMPLEMENTATION DATE

As per 36 CFR 218.12, if no objection is received within the legal objection period, this decision may be signed and implemented on, but not before, the fifth business day following the close of the objection-filing period. If an objection is filed, this decision cannot be signed or implemented until the reviewing officer has responded in writing to all pending objections.

## FINDING OF NO SIGNIFICANT IMPACT

The significance of environmental impacts must be considered in terms of context and intensity. This means that the significance of an action must be analyzed in several contexts such as society as a whole (human and national), the affected region, the affected interests, and the locality. Significance varies with the setting of the proposed action. In the case of a site-specific action, significance usually depends upon the effects in the locale rather than in the world as a whole. Intensity refers to the severity or degree of impact. (40 CFR 1508.27)

## CONTEXT

Context refers to the affected environment in which the proposed action would occur. This means the significance of an action must be analyzed in several contexts, such as society as a whole (human, national), the affected region, the affected interests, and the locality. Significance varies with the setting of the proposed action. For instance, in the case of a site-specific action, significance usually depends upon the effects in the locale rather than in the world as a whole (40 CFR 1508.27(a)). Both short- and long-term effects are relevant.

The Kensington Fuel Depot project is a site-specific action that would take place within the project area of Slate Creek Cove of Berners Bay. The Selected Alternative includes the placement of seven fuel tanks each capable of holding 50,000 gallons of fuel (350,000 total gallon capacity) in the upper laydown yard of the existing Kensington Mine Marine Terminal. A header pipe will be located along the northwest side of the Kensington Marine Terminal access road and will connect via an approximately 500 feet seamless pipeline to the tanks. Fuel delivery

will be by barge that will dock at the Kensington Marine Terminal and connect to the fuel header via an approximately 100-150 feet flexible hose.

The discussion of the significance criteria that follows applies to the Selected Alternative and is within the context of local importance. The Kensington Fuel Depot EA details the effects of the Selected Alternative. None of the effects identified, including direct, indirect and cumulative effects, are considered to be significant, and all resources meet or exceed their respective Forest Plan Standards and Guidelines.

## INTENSITY

The intensity of effects was considered in terms of the following:

**Impacts may be both beneficial and adverse. A significant effect may exist even if the Federal agency believes that, on balance, the effect will be beneficial.** Effects are anticipated to be negligible for the Selected Alternative (See Table 1 above).

**The degree to which the proposed action affects public health or safety.** There will be no significant effects on public health and safety because the area is off limits to the public, and due to safety restrictions of an active mining operation (See EA page 9). Additionally, safety guidelines proposed by Petro limit access to the facility.

**Unique characteristics of the geographic area, such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.** There will be no significant effects on unique characteristics of the area because the construction is to occur in a previously disturbed area on an active mine site (See EA page 9).

**The degree to which the effects on the quality of the human environment are likely to be highly controversial.** The effects on the quality of the human environment are not likely to be highly controversial. There is no known credible scientific controversy over the impacts of the proposed action. The EA acknowledges that the selected alternative presents a risk of fuel contamination but the risk will be offset by mitigations included in the document.

**The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.** The analysis shows the effects are not uncertain, and do not involve unique or unknown risk.

**The degree to which the action may establish a precedent for future actions with significant effects, or represents a decision in principle about a future consideration.** The action is not likely to establish a precedent for future actions with significant effects.

**Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.** The cumulative impacts are not significant. The cumulative effects of this project include past, present and reasonably foreseeable actions that will overlap in space and time. The State of Alaska has been working on the environmental analysis for the Juneau Access Project road, a road connection between Juneau and communities at the north end of Lynn Canal. The Juneau Access Project, if a road is built, will need to consider the cumulative effects of adding that project within the boundaries of the existing footprint of the Kensington mine project area.

**The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed , or eligible for listing, in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources.** The action will have no significant adverse effect on districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places, because cultural sites that are present are currently being mitigated according to the terms of a Memorandum Of Agreement with the Forest Service, Alaska State Historic Preservation Officer, and Coeur Alaska at the Kensington Gold Project. A Forest Service archeologist has reviewed this project and has made a determination under the provisions of Section 106 of no adverse effect for the proposed project. The State Historic Preservation Officer concurred with this determination. (See EA page 13)

**The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973.** The action will not adversely affect any endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species act of 1973. (See EA page 12)

**Whether the action threatens to violate Federal, State, or local law or requirements imposed for the protection of the environment.** The action will not violate Federal, State, and local laws or requirements for the protection of the environment. Applicable laws and regulations were considered in the EA (see EA pages 12-15). The action is consistent with the Tongass Land and Resource Management Plan. The Kensington Marine Terminal is located within an Old-Growth Habitat (OGH) Land Use Designation (LUD). There is an exception within the OGH LUD for small areas of non-conforming development, such as mining activities, which may be considered on a case-by case basis that are compatible with the surroundings of the characteristic landscape (2008 Forest Plan, 3-60); these forest lands within this LUD are open to mineral entry (2008 Forest Plan, 3-59) (See EA page 3).

After considering the effects of the actions analyzed, in terms of context and intensity, I have determined that these actions will not have a significant effect on the quality of the human environment. Therefore, an environmental impact statement will not be prepared.

## CONTACT

For additional information concerning this decision, contact: Curtis Caton, Geologist, Tongass National Forest, 8510 Mendenhall Loop Road, Juneau Alaska, 99801. (907)789-6273.